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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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MIKE GLEASON, Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
KRISTIN K. MAYES
GARY PIERCE

AZ CORP COMMISSION
DOCKET CONTROL

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IN THE MATTER OF THE APPLICATION OF
GROOM CREEK WATER USERS ASSOCIATION
FOR AN INCREASE IN RATES.

DOCKET NO. W-01865A-07-0385

IN THE MATTER OF THE APPLICATION OF
GROOM CREEK WATER USERS ASSOCIATION
FOR APPROVAL OF FINANCING AND RATE
CHANGES.

DOCKET NO. W-01865A-07-0384

PROCEDURAL ORDER

BY THE COMMISSION:

On June 25, 2007, Groom Creek Water Users Association ("Applicant" or "Groom Creek") filed with the Arizona Corporation Commission ("Commission") an application for an increase in its water rates.

On the same date, Groom Creek filed an application in Docket No. W-01865A-07-0384 requesting approval for financing.

Between July 9, 2007 and July 18, 2007, Jonathan Hoover, John and Marian Cree, Patty Berry, Mary Turbyfill, Majorie Navarro, Robert Schulz, and Donald Muller filed Motions to Intervene ("Motion").

On July 25, 2007, the Commission's Utilities Division ("Staff") filed an Insufficiency Letter in this docket indicating the Applicant's application had not met the sufficiency requirements as outlined in the Arizona Administrative Code ("A.A.C.").

On August 10, 2007, Staff filed a Letter of Sufficiency in this matter, and indicated that the Staff Report would be filed on October 24, 2007. The Commission has determined that Groom Creek is a class D utility and pursuant to statute the Commission may decide this case without a hearing.

On August 22, 2007, by Procedural Order, the Motions to Intervene were granted.

1 On October 2, 2007, Staff filed a Motion for an Extension of Time to file its Staff Report until
2 November 5, 2007 in Docket No. W-01865A-07-0385. No objections to Staff's Motion were filed.

3 On October 29, 2007, Staff filed a Motion to Consolidate the above-captioned matters, stating
4 Staff believed that these matters could be efficiently handled in a single proceeding.

5 On November 30, 2007, by Procedural Order, the two above-captioned dockets were
6 consolidated and Staff was given until December 17, 2007, to file its Staff Report on the consolidated
7 dockets and the timeclock in this matter was suspended.

8 On December 3, 2007, Groom Creek filed a copy of a special report sent to all Association
9 members regarding a major water main break that occurred in October, 2007.

10 On December 14, 2007, Applicant filed a request that Staff's request for additional time to file
11 its Staff Report be granted.

12 On December 17, 2007, Staff filed its Response to Groom Creek's Letter concurring with the
13 request for additional time until December 31, 2007 to file the Staff Report in this matter.

14 On December 19, 2007, by Procedural Order, Staff was granted additional time, until January
15 4, 2008, to file its Staff Report.

16 On December 21, 2007, Staff filed a Clarification to Staff's Response to Groom Creek's
17 Letter. In its filing, Staff requested additional time to file its Staff Report until January 31, 2008,
18 because the engineering analysis filed by Groom Creek on December 14, 2007 required Staff to issue
19 more data requests.

20 On December 27, 2007, by Procedural Order, Staff was granted additional time, until January
21 31, 2008, to file its Staff Report.

22 On January 31, 2008, Staff filed its Staff Report recommending approval of Groom Creek's
23 application for a permanent rate increase and approval for financing.

24 On February 5, 2008, Staff filed a Notice of Errata to the Staff Report, to provide the
25 engineering memorandum for the financing application, which had been inadvertently omitted.

26 On February 11, 2008, Groom Creek filed its Response to the Staff Report, objecting to the
27 recommended base rate increase, as well as other increases recommended by Staff.

28 ...

1 On February 22, 2008, by Procedural Order, a procedural conference was scheduled for
2 March 5, 2008, to determine whether the matter should continue as a non-hearing item. The
3 timeclock remained suspended.

4 On March 5, 2008, Staff appeared at the procedural conference through counsel and Mr. Jerry
5 Hodgson, President of the Board of Directors for Groom Creek appeared on behalf of the Applicant.
6 During the procedural conference the parties were directed to discuss the possibility of settlement of
7 some of the issues in this matter. After a period, both parties stated that they believed the issues in
8 the case should be resolved through a hearing. The parties also stated that they believed there were
9 some issues that may be resolved prior to a hearing in this matter.

10 IT IS THEREFORE ORDERED that the **hearing** in the above-captioned matter shall be
11 scheduled to commence on **May 15, 2008, at 1:00 p.m.**, or as soon thereafter as is practical, at the
12 Commission's offices, 1200 West Washington Street, Arizona 85007.

13 IT IS FURTHER ORDERED that **intervention** shall be in accordance with A.A.C. R14-3-
14 105, except that all motions to intervene must be filed on or before **April 21, 2008**.

15 IT IS FURTHER ORDERED that **objections to any motions to intervene** must be filed no
16 later than **May 5, 2008**.

17 IT IS FURTHER ORDERED that Groom Creek shall provide public notice of the hearing in
18 this matter, in the following form and style, with the heading no less than 10 point bold type and the
19 body no less than 10 point regular type:

20
21 **PUBLIC NOTICE OF HEARING ON THE CONSOLIDATED APPLICATIONS OF**
22 **GROOM CREEK WATER USERS ASSOCIATION FOR AN INCREASE IN RATES**
AND FOR APPROVAL OF FINANCING AND RATE CHANGES.
(DOCKET NUMBER W-01865A-07-0385 ET AL.)

23 On June 25, 2007, Groom Creek Water Users Association ("Company" or "Groom
24 Creek") filed an application with the Arizona Corporation Commission
25 ("Commission") for an increase in its water rates. On the same date, Groom Creek
26 filed an application in Docket No. W-01865A-07-0384 requesting approval for
27 financing. On November 30, 2007, the Commission consolidated the two dockets and
28 the timeclock was suspended. The Commission's Utilities Division ("Staff") has
recommended approval of Company's applications; however, the Commission is not
bound by the proposals made by the Company, Staff, or any intervenors. The
Commission will issue a decision regarding the Company's application following
consideration of testimony and evidence presented at an evidentiary hearing. Copies

of the applications are available at the Company's offices [insert address] and the Commission's offices at 1200 West Washington, Phoenix, Arizona, for public inspection during regular business hours and on the internet via the Commission website (www.azcc.gov) using the e-docket function.

The Commission will hold a hearing on this matter beginning **May 15, 2008 at 1:00 p.m.**, at the Commission's offices, 1200 West Washington, Phoenix, Arizona. Public comments will be taken on the first day of the hearing. Written public comments may be submitted via email (visit <http://www.azcc.gov/utility/cons/index.htm> for instructions), or by mailing a letter referencing Docket Number W-01865A-07-0385 ET AL to: Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007.

The law provides for an open public hearing at which, under appropriate circumstances, interested parties may intervene. Any person or entity entitled by law to intervene and having a direct and substantial interest in the matter will be permitted to intervene. If you would like to intervene, you must file a written motion to intervene with the Commission, and you must send copies of the motion to the Company or its counsel, and to all parties of record in the case. Your motion to intervene must contain the following:

1. Your name, address, and telephone number, and the name, address, and telephone number of any party upon whom documents are to be served in your place, if desired;
2. A short statement of your interest in the proceeding (e.g., a customer of the Company, a shareholder of the Company, etc.); and
3. A statement certifying that a copy of your motion to intervene has been mailed to the Company or its counsel and to all parties of record in the case.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before April 21, 2008. If representation by counsel is required by Rule 31 of the Rules of the Arizona Supreme Court, intervention will be conditioned upon the intervenor obtaining counsel to represent the intervenor. For information about requesting intervention, visit the Arizona Corporation Commission's webpage at <http://www.azcc.gov/utility/forms/index.htm>. The granting of intervention, among other things, entitles a party to present sworn evidence at hearing and to cross-examine other witnesses. However, failure to intervene will not preclude any customer from appearing at the hearing and making a statement on such customer's own behalf.

If you have any questions about this application, you may contact the Company at [insert telephone number]. If you wish to file written comments on the application or want further information on intervention you may contact the Consumer Services Section of the Commission at 1200 W. Washington St., Phoenix, AZ 85007, or call 1-800-222-7000.

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting the ADA Coordinator Linda Hogan, E-mail Lhogan@azcc.gov, voice phone number 602/542-3931. Requests should be made as early as possible to allow time to arrange the accommodation.

1 IT IS FURTHER ORDERED that Groom Creek shall **mail to each customer** in its CC&N
2 area and shall cause the above **notice to be published** in a newspaper of general circulation in its
3 service territory, with publication and mailing to be completed no later than **April 7, 2008** .

4 IT IS FURTHER ORDERED that Groom Creek shall **file certification of mailing and**
5 **publication** as soon as practicable after the mailing/publication has been completed, but not later
6 than **April 21, 2008**.

7 IT IS FURTHER ORDERED that notice shall be deemed complete upon mailing and
8 publication of same, notwithstanding the failure of an individual property owner to read or receive
9 the notice.

10 IT IS FURTHER ORDERED that **Groom Creek and Staff shall file a joint pleading**
11 **outlining all issues that that the parties have agreed upon on or before April 15, 2008**.

12 IT IS FURTHER ORDERED that the parties shall continue to discuss settlement of the issues
13 of this case up to the date of the hearing.

14 IT IS FURTHER ORDERED that **Staff shall docket a written response to the remaining**
15 **unresolved issues raised in Groom Creek's objections to the Staff Report, on or before April 30,**
16 **2008**.

17 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113-Unauthorized
18 Communications) continues to apply to this proceeding as the matter is now set for public hearing.

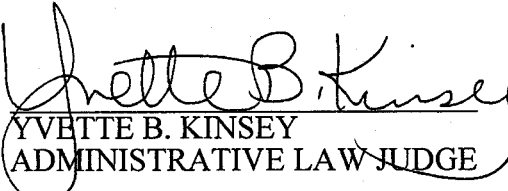
19 IT IS FURTHER ORDERED that all parties must comply with Rules 31 and 38 of the Rules
20 of the Arizona Supreme Court and A.R.S. § 40-243 with respect to practice of law and admission *pro*
21 *hac vice*.

22 IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance
23 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the
24 Rules of Arizona Supreme Court). Representation before the Commission includes the obligation to
25 appear at all hearings and procedural conferences, as well as all Open Meetings for which the matter
26 is scheduled for discussion, unless counsel has previously been granted permission to withdraw by
27 the Administrative Law Judge or the Commission.

28 ...

IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

Dated this 18th day of March, 2008.


YVETTE B. KINSEY
ADMINISTRATIVE LAW JUDGE

Copies of the foregoing mailed/delivered this 18th day of March, 2008 to:

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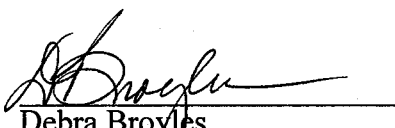
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By: 
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Secretary to Yvette B. Kinsey